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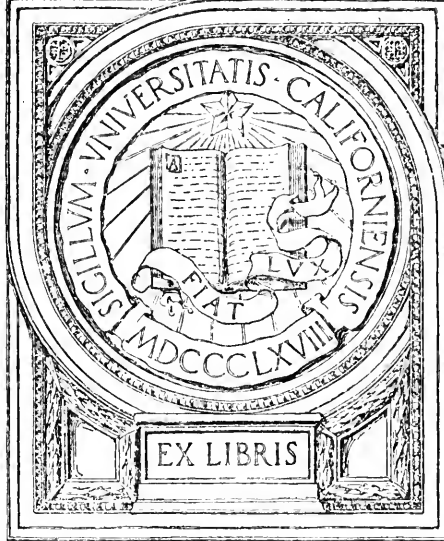
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## THE JOSEPH FISHER LECTURE IN COMMERCE

DELIVERED AT THE  
UNIVERSITY OF ADELAIDE

BY

L. A. JESSOP, ESQ.,

11TH MAY, 1906.

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# THE UNIVERSITY OF ADELAIDE.

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"JOSEPH FISHER LECTURE IN COMMERCE,"

ADELAIDE, 11TH MAY, 1906.

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**MR. CHANCELLOR, LADIES AND GENTLEMEN,**

When your Council did me the honour to ask me to deliver the second of the Fisher lectures, I naturally hesitated, being by no means by way of being a lecturer, and, furthermore, feeling a diffidence in following in the footsteps of one so well qualified by education and commercial experience as Mr. Henry Gyles Turner, who delivered the inaugural lecture. However, succumbing to that so natural feeling that it is so much easier in the majority of cases to say yes than no, so much more difficult to deliver oneself of a negative with more or less truthful reasons in support than of an affirmative prompted by inclination, I decided to stand before this important, but I trust not hypercritical, tribunal, and use my humble endeavours to further the views of my munificent friend, Mr. Joseph Fisher, which are, I understand, to foster commercial education. This same question of education, in the broad and comprehensive sense, is one claiming, and which should claim, a large share of public attention. In these days, when printed knowledge is so condensed and codified, so cheap, so accessible, I, who am little but an item in the commercial world, with a strong natural leaning towards utilitarianism, cannot help entertaining

the conviction that the most important principle underlying all others in a national educational system is the teaching of the teachers, the instillation of the delicate art of adapting the seed to the soil ; and I venture to prophecy that there will be no more vital science in the future than the science of pedagogy. This is especially true of commercial education, for commerce is, and must be for many a day, the universal king. Now having consented to make my *debut* as a lecturer, I pondered the subject, and the result was "character," giving myself, however, the license, which an amateur may fairly claim, of wandering into such byeways as seemed attractive. Did you ever see a counterfeit presentment of a portrait of Carlyle by James McNeil Whistler. It is in the Luxembourg. A strange rugged figure, with a rough hewn head, a granitic shell covering a mighty brain, that studied the world through eyes that saw far deeper into things than those of most men. They made him Rector of Edinburgh University, and young and old may well study his address to the students. One extract as bearing on my subject I will venture to give for the benefit of those whose minds, yet impressionable, may mayhap find some help in it. He quotes from Goethe's Wilhelm Meister. Three of the wisest men that can be got are met to consider what is the function which transcends all others in importance to build up the young generation. The eldest of the three says,

"There is one thing that no child brings into the world with it  
 "and without which all other things are of no use. Wilhelm asks  
 "what is that ? ' The answer is, reverence, Ehrfurcht, reverence !



“Honour done to those who are grander and better than you, without  
 “fear ; distinct from fear, Ehrfurcht—the soul of all religion that  
 “ever has been among men or ever will be.”

Yes, reverence is no spontaneous growth. Do we, the unthinking, remember that when we accuse our boys of being wanting in it ? Do we recognise that reverence is a result of education, of environment, and, above all, do we recognise the immensity of the power as models for good and evil of those in high places ? I am not one of those who contend that the world is going to the devil because I have experienced more of its kicks and gathered fewer of its halfpence than fall to the lot of some other men, and while admitting that the keen competition of to-day does not make for commercial morality ; while recognising that there exists a somewhat cynical tolerance, not untinged with envy, of successful rogues, I confidently anticipate acquiescence when I ask those of the British race if much comfort is not to be derived from the fact—and I sincerely entertain the conviction that it is a fact—that the methods of the majority of English firms are founded on honesty and fair dealing, and that good faith plays a marvellous part in the conduct of the Empire’s stupendous commerce. When I speak of English firms I of course include Australian firms, albeit our commercial reputation is somewhat besmirched by some latter-day revelations. While posing as a commercial apologist, I do not pretend that Commerce is carried on on altruistic or philanthropic principles. It may be regarded as a reflection on some 2,000 years of Christianity, but the fact remains, that to those engaged in trade life is a battlefield, and the prizes go to

the fiercest fighters. It is strange to consider the gradations of trade from retail to wholesale, wholesale to limited liability, and thence to the zenith, to that weird triumph of destructive and constructive intelligence and organizing power, the combine or trust. If the chief aim of the man of to-day is to be to make money—money as a means to sustain life, money to provide comforts, money to furnish luxuries, money to gratify a longing for artistic ostentation, money to deck our women with coloured crystals and costly fabrics, money to enable us to oppress and move our fellows as pawns on the chess board of life—why, let us face the music, and honestly admit not on six days, but on seven, that there is no God but Mammon, and Rockefeller is his prophet. For John D. Rockefeller is the greatest exponent of the art of making money since the days when money meant not houses, land, stocks, bonds, shares of sorts, or any of the manifold pecuniary symbols of to-day, but just cattle. A strange psychological study this same master of millions, a curious illustration of the doctrine of heredity, for I have read that his father was partly gambler, partly quack, possessed with not entirely disinterested views with regard to the proprietary rights of others; and that his mother was a lady with a Puritan upbringing. Mr. Rockefeller himself is a commercial Machiavelli, in whose sight the end, meaning the accumulation of unwieldy hoards, justifies any means to attain it, and is also a pillar of the Baptist Church. My experience of life teaches me that the man who does not make his Sunday professions square with his weekday actions is not necessarily a humbug in his own sight. It was said of Mr. Gladstone that he could convince most people of many

things and himself of anything. Nobody, of course, reads Tristram Shandy nowadays, but there's a sermon by Sterne well worth the studying, the text, For we trust we have a good conscience. America has been called the land of effort, and if strenuous industry and an insatiable habit of accumulating count for anything, then she should be the richest country in the world, and not only that, but an object lesson in many, in fact in most, vital respects. A land of some 80 millions of people, absorbing a million aliens in a year ; a land possessing an independent geographical position, vast and diversified resources, and a race of financial giants, whose methods we may condemn, but whose ability is convincing ; a land with a colour question always growing, ; a land, if common report is not a common liar, honeycombed with corruption—political, social, commercial, but the most interesting land in the world, especially to Australia. For notwithstanding a perennial deluge of legislation, as many as 15,000 Acts of Parliament having been passed in one year, Cunning exults, Greed triumphs, Wealth accumulates ; and thanks, possibly to the infusion of new blood, no talk of men decaying. Labour alternately fights and coalesces with Capital ; and Boodle and Graft are the greatest Gods in the national Pantheon.

But look at the other side. Consider the incessant influx of selected brain and muscle from other countries. Think of the fight America has had to make to achieve her marvellous industrial success. To use the words of Mr. Fraser :—

“She has milked the world for ideas, appropriated anything and

“everything in the way of invention to her own service, and has good

“reason, though at times she trumpets it a little too blatantly, to be

“proud of her achievements.”

The virus of ennui and its sequent cynicism find no place in this sane organism.

The great fact is recognised that the world must be a world of workers, and that the chief function of the state is to so equip men and women that they can worthily fill such places in the vast industrial army as suits their capacity.

Some say that the pernicious abuse of their power by capitalists will convert America into the first purely socialistic state. I cannot believe it, for there, if anywhere, is a field where energy and ability can find due recognition and reward, and I cannot admit that energy and ability, even though exercised for the benefit of their possessors, have ceased to be the most potent factors in life.

I need scarcely remind you that ability is a term susceptible of many applications, but of course the ability we are concerned with is business or commercial ability, an article representing a money value to its owner. Commercial ability is often characterised nowadays as smartness. Now I have heard that there is a saying in America that the smart business man is the man who knows how to keep out of gaol, which, from an ethical standpoint, seems to indicate the existence of but a very fine line dividing smartness from dishonesty. The clear inference to be drawn is that for the man of ordinary ability it is true now as ever that honesty is the best policy. It is an important day in a man's life when he discovers that he hasn't brains enough to be a rogue; and he is indeed fortunate if he makes the discovery before the world's scorn shows

the penalty attaching to failure. You have doubtless heard of Disraeli's diocesan conference speech. You know how England jeered at and ridiculed the man who declared himself on the side of the angels. There was a wonderful cartoon by Tenniel representing Disraeli in scant but graceful garb, wearing the wings which we are wont to ascribe to angelic beings posing before a cheval glass ; it was irresistibly comic, and every one laughed and applauded. Yet that same speech was full of wisdom. As Froude says in his biography :—

“ The note of scorn with which it rings has preserved it better  
 “ than any affectation of pious horror.” What, said Disraeli ?  
 “ It is not our iron ships, it is not our celebrated regiments, it is not  
 “ these things which have created, or really maintain an Empire.  
 “ It is the character of the people. I want to know where that  
 “ famous character of the English people will be if they are to be  
 “ influenced and guided by a church of immense talent, opulence, and  
 “ power, without any distinctive creed. You have in this country  
 “ accumulated wealth that has never been equalled, and probably it  
 “ will still increase. You have a luxury that will some day,  
 “ peradventure, rival even your wealth, and the union of such  
 “ circumstances with a church without a distinctive creed will lead,  
 “ I believe, to a dissolution of manners and morals which prepares  
 “ the tomb of empires.”

Yes, the character of the people. How is it to be formed ? Is there a more momentous question for the leaders of this young nation to ponder ? I

venture to think, Disraeli to the contrary, notwithstanding that in this analytical age, neither creed, doctrine, nor dogma, or a combination of them, will, unsupported, serve to make a people truthful, honest, and moral. I have spoken of the responsibility attaching in this respect to those in high places, and as my theme is "Character," I will say that I recognise no such potent earthly force for good or evil as the force of example afforded by our leaders, social, political, commercial. The lives of good, not goody, men and women, are now, as ever, the brightest beacons to guide inexperienced youth aright through this puzzling pilgrimage. Yes, life is a complicated business, a puzzle to the wisest, but to few more than to the aspirant for success in the commercial career. The youngster who goes into an office is somewhat at a disadvantage compared with the boy who proposes to make his living in a trade. For while the latter knows what it is that he has to learn, the ordinary clerical fledgling, unless he have good friends behind him, is like a rudderless boat in a rough sea, with heavy odds against his making a safe port. There is, I believe, an institution in London called The Future Career Association which undertakes to supply full and accurate information relative to spheres of occupation, and one can readily see the valuable potentialities of an organization which would show one desirous of entering commercial life the various specialties into which it is divisible, and indicate the studies necessary to qualify for the one selected. When I was young the ordinary parent with an ordinary boy to provide for, and a soul above retail trade, put him into an office. Young hopeful was supposed to rub along somehow in commercial life.

Many did rub along comfortably enough, and some came remarkably well through the process. But times, alas! have changed. The world is dead against the men who propose to rub along. The class of rubbers along are going to have a bad time in the near future, especially in the commercial sphere. In commerce, as in other walks of life, the all round man must give way to the specialist, and commercial education, whatever be the branch of commerce one desires to engage in, is a pretty serious matter. There is an excellent treatise entitled *Commercial Education in Theory and Practice*, by Mr. E. E. Whitfield, M.A., late Lecturer at the City of Liverpool School of Commerce. The following are the subjects treated of:—Organization of Commercial Instruction, Study and Teaching of Languages and Literature, Mathematics, Natural Science, and Drawing, Principles of Business and its modern Features, Organization and Commercial Management of Industrial Concerns, the Theory of Trade, its Organization and Promotion, Economics and Mechanism of Transport, Economics and Framework of Taxation, Economics of Money—Banking—Stock Exchanges—Insurance, Book-keeping and Accounts, its Theory and Practice, Mercantile Office Work, and lastly, the formation of character and the conditions of success. This you will admit is a pretty formidable list of subjects, but to be considered, of course, in relation to the finite capacity of human intelligence, and to the particular branch of commerce the student proposes to engage in. The word Commerce has a most comprehensive meaning. Let us consider what it includes. Primarily the cultivation and production of everything needful to sustain life, to gratify

taste, and pamper luxury, with the necessary transport and manufacture. Commerce caters for the necessities, the tastes, the weaknesses, and the vices of the world's population, and we must not overlook the elements of increase and variation. Invention is always at work seeking to evolve what in its delicacy, intricacy, and absolute certainty of performance, may almost be regarded as sentient machinery. The fertile brain is ever striving to comprehend and utilize the forces of nature. Every invention and every discovery tends to the increase and the modification of commerce, and everything points to a universal commercialization. The reign of the cult will, in all probability, be superseded in the teeming east by the enthronement of the almighty dollar, and the true yellow peril may be found to be the patience, the thoroughness, and the cheapness of oriental labour. The situation in the clerical world is becoming more interesting from the fact that Woman, "once our superior, now our equal," to appropriate the toast of the old beau, is entering into serious competition in this as in other walks of life. I need scarcely remind you that Australia's commercial reticulation must spread when labour suitable to the physical conditions is profitably employed in our tropical country under the auspices of that true empire builder, the enterprising speculator, or under intelligent state supervision, and a general settlement of something over one or two people to the square mile is effected. When a trained and educated national government renouncing commercial empiricism leave to old and congested countries the task of settling the *modus vivendi* between rich and poor, and of reconciling the views of contented and discon-



tented, in short, substitute for a policy of somewhat obstructive, even if well-intentioned meddlesomeness, one of enlightened statesmanship, patriotism, and honest endeavour for the good of all. I have long held the opinion that next to the social detective, ever on the look out for evils and defects in the universal scheme of life, the most mischevous person is the political quack who tries to remedy them, breeding uncertainty instead of tranquility, and fostering the unrest that develops delusions, not yet, if ever to be realized. You may ask, why introduce politics? My excuse, if excuse be necessary, is to be found in the fact that there are few more important subjects before us than the principles of state interference. The difficulty of defining the proper limits of individual volition in business matters is accentuated by the desire of so many staunch individualists to invoke state interference for their own benefit, while bitterly condemning its exercise for the advantage of others.

The great power of public opinion which is behind the state naturally enough revolts against the arbitrariness and the offensiveness of that phenomenal result of industrial development, the latter-day plutocrat, and welcomes any measure, however chimerical, framed by the adroit and complaisant politician for his discomfiture. The position of the state in relation to the mercantile world has to be established here as elsewhere. While on the subject of employers, let us consider the question of joint stock companies. I remember many years ago a prospectus appeared, I think it was in connection with the well-known Langham Hotel in London, and the name of, I believe, the Earl of Buckinghamshire was in the list of directors. The document caused consider-

able comment, for in the days of unlimited liability, when the possession of one share in say the City of Glasgow Bank meant ruin, and when in the language of flunkeydom, noblemen were noblemen, prospectuses, especially with titled names, were comparatively rare documents. What is the position to-day? There are over fifty thousand companies in the United Kingdom, with a paid-up capital of nearly two thousand millions and a borrowed capital of four hundred millions. It was a saying of one of the older Rothschilds that a fool may make money, but that it takes a wise man to keep it, and in this fact may be found some reason for the popularity enjoyed by joint stock companies. The *raison d'être* of a large proportion of these concerns is to be found, too, in the low rate of interest yielded by what are known as gilt-edged securities. Forty or fifty years ago the most unexceptionable investments in England returned about six per cent. ; to-day they pay about half that rate. The small capitalist is therefore in a measure forced to take the risk incidental to trading enterprise, and so as a shareholder become a factor in commercial life, or he gambles. To the ordinary shareholder a balance-sheet is about as comprehensible as a cuneiform inscription, and everything goes as smoothly as possible so long as the management can so finance that the periodical dividend is forthcoming. Seldom is enquiry made if it has been earned, and never how, whether legitimately and fairly, whether by excessive charges or inconsiderate or unfair treatment of others, or produced by that faking process which goes to prove the truth of the aphorism that there's nothing so fallacious as facts except figures. The duties of directors and auditors, the controlling influence, are by no means well

defined. I recall the instance of an auditor of an insolvent bank who said he did as much as he was paid for ; moral, don't underpay auditors. Directors of companies are too often chosen, not for their commercial ability, high character, and experience, but because of successes achieved in a walk of life which gave them no title to aspire to the position, or occasionally, as in mining companies, for their willingness to work the share market in the interests of a clique of wire-pullers. While on the subject of joint stock companies, I will give expression to a fad of mine. That is, the abolition of liability on shares. I quite anticipate an outcry and a free use of such words as visionary and unpractical. History repeats itself, and I have no doubt but that the introduction of the Limited Liability Act was greeted with a similar outcry. Nevertheless, experience proves that the generation of to-morrow is largely plastic in the hands of the generation of to-day, and were the provisions of the No-Liability Act gradually extended to trading companies, I believe that business would soon adapt itself to the change. I do not advocate such an innovation without cogent reasons, reasons which will appeal not to the arrogant, not to the selfish, but to the man of business who yet retains some human sympathy, and to such as recognize that foresight is not only not unlimited, but that its possession is limited to the comparatively few. After all, what is a joint stock company ? A number of co-adventurers agree to risk so much each. They pay a certain proportion, and they render themselves liable for the balance. In old days, as I have pointed out, there was a joint and several liability ; every partner took on his shoulders all the obligations of the partnership. Legislation provided a means for limiting

the individual liability. Why not go a step further and abolish it? If one thousand men are prepared to risk say £20 each for a purpose, and after a time the success of their operations seems to warrant it, why not issue more shares, and so do away with the liability, which all have assumed, but which only the few may be able to discharge. And then, again, when a crisis comes, the original shareholder may be dead, and the successors in interest may be unbusinesslike persons, who would be sufficiently penalized by losing their principal without being compelled to pay liquidators' calls on their own shares as well as on those of such as make default. A true man's first care is to make provision for his widow and children, always assuming that he is not sufficiently advanced to deride the titles sanctified by nature and hallowed by time of wifehood and motherhood. What better shape can the provision take for the small capitalist than shares in a reputable trading concern, and yet experience has shown us that this very provision too often means ruin for the unfortunate legatees. We know what we are, but we know not what we may be, and most of us, no longer in our first youth, can recall changes most unexpected and most disastrous in the characters and methods of the wisest and most respected.

I have spoken of the possibilities of the expansion of Australia's commerce, and in this connection we must not overlook the fact that in addition to some three million square miles of country in Australia proper, we have the destinies of an immense tropical territory in New Guinea in our hands. A great deal of time and trouble would seem to have been devoted to the task of determining who shall be excluded from this vast domain, but the tide is,

I hope, on the turn, and legislators are beginning to think that the question of populating our estate is one worthy of consideration. With every sympathy with the ideal of a white race—physically perfect, mentally excellent, morally superlative—I can but think that we shall have to reconcile actuality with idealism, and determine to solve the problem what human stock the country will carry, always having regard to the changes which will be wrought on the white race by physical conditions, and the class of labour necessary to the development of tropical regions. In our very legitimate aspiration to figure as a factor in the world's manufacturing, we must not lose sight of the vast and increasing value of water power, especially in electro chemical industries. In our anxiety to compete with such lands as America and Canada, it would be folly to ignore the fact that in the fall of Niagara river those countries possess the greatest hydraulic energy on earth, together with immense possibilities of this character in other directions. That they have the capital and energy to develop and the brains to avail themselves of these advantages to the utmost is undoubted, and it seems to me that our protectionist friends, when proposing to counteract their effect by a high tariff, supply the consumers with a very strong argument in favour of freetrade, although character, enterprise, technical knowledge, industry, and other factors do much to efface disabilities in international industrial competition. The part that Science plays in commercial life is a most interesting one. There was a time when the scientific student was a man apart. One pondering the phenomena of nature, floundering among first principles, groping slowly and laboriously from darkness

towards light, wondering, guessing, but ever helping to solidify the slough for future generations to find firm foothold. There was a time when men wrought for the glory of God and the love of their craft, and under that sanctified inspiration did work so lasting, so beautiful ; achieved triumphs artistic, architectural, of such supreme excellence as to make moderns wonder but despair of emulating. The genius of man to-day revels in the utilization of natural forces and systematized records, which it should be the care of all governments to preserve, make of each age a stepping stone to higher things. Michael Faraday said he had no time to make money, and was content with a pension as a pecuniary recognition of his life's work in the cause of science. The more modern philosopher floats on the sea of high finance. The discovery that crowns research, the invention that rewards ingenuity, is the legitimate prey of the promoter, the sport of the speculator, unless the discoverer or inventor is safeguarded by the possession of business acumen. Faraday had no time to make money. The "Marconi" Company insure the great electrician's life for £100,000. Hereditary partiality for exclusive information it was mayhap that caused the priesthood to force Galileo to recall his rash statement about the movement of the earth. What would they have done to Edison and Tesla ? It may be as the Fabians say, that selfishness and greed as motive powers are waning, and shade of Disraeli, who would not be on the side of the angels ? My experience teaches me, however, that much disregard of the rights and feelings of others is condoned by the oft-expressed axiom, "Business is business." But we must be optimists in our estimate of human character as in

other respects—we dare not be pessimists. Every thinking human being must be on the side of the angels. None can calmly face the terrible alternative so vividly depicted by Pope in the concluding lines of *The Dunchead* :—

Religion blushing veils her sacred fires,  
 And unawares morality expires.  
 For public flame, nor private, dares to shine,  
 Nor human spark is left, nor glimpse divine !  
 Lo ! thy dread Empire, chaos ! is restored ;  
 Light dies before thy uncreating word ;  
 Thy hand, great Anarch ! lets the Curtain fall  
 And universal darkness buries all.

Can it be possible that the development we see around us, the improvement in the conditions of life, the accumulated and recorded knowledge, the universal growth can be without their beneficent influence upon man ? Can he alone remain stagnant, when to remain stagnant means in this busy world to go backwards ? Stagnation is to my mind impossible for the individual, the state, or the race. I know that there are those who in their blindness would put back the clock, but if I read aright, the results of their efforts can be but as rocks in a rushing stream, which may divide but can never obstruct the mighty force hurling itself in tumultuous majesty towards a boundless sea. The crystal face of conscience is too often made dim and obscure by the fetid breath of feverish competition, or the foul exhalation of insensate greed, and we can only hope to foil the demon pessimism by cherishing the conviction expressed by Carlyle that the world is not founded on falsehood and jargon, but on truth and reason. May I be pardoned here for pleading the tyro's

want of experience as a cause for lack of continuity. I notice that a discussion has been published in the Argus between employers and employees on the work and remuneration of clerks. On the one side there is a complaint of long hours and poor pay, on the other a declaration of the difficulty in finding young men of energy and ability. The conclusions the newspaper leader writer arrives at are that the market for clerks in Australia is over-supplied, and the possibility of competition from women is greatly on the increase, while admitting inferentially the existence of room at the top. An article in the October fortnightly on Technical Education in Germany gives one an idea of the characteristic thoroughness of its scholastic system as compared with the somewhat haphazard British methods. In this, as in other respects, the Teuton seems to have adopted Strafford's motto, and by due recognition of its value, forges ahead in industrial competition. There is an excellent series of books published by George Newnes, Limited, describing life in town and country of the different European nations. Mr. William Harbutt Dawson, who treats of Germany, says of its public education :—

“The very mention of Germany calls to the mind the vision of  
“endless processions of pedagogues with spectacle on nose and  
“ferules on side.”

The early introduction and (very largely) of free education is not sufficient of itself to account for the exemplary schools which Germany possesses. The true secret of their excellence lies in the fact that the state insists on controlling the entire system of education from the bottom to the



top. Elementary schools, higher schools, technical schools, boys' schools, girls' schools, municipal schools, private schools, universities—all are subject to state approval and state regulation, and in everything the Minister of Education and Public Worship reserves the right of last word ; nor is he slow to say it if necessary. It is commonly believed that German schools drive their children ; and the discipline which they undergo is certainly exacting. Those who enter the elementary school do so on the completion of their sixth year, and they cannot leave it until the age of fourteen. Let the child be never so bright, he is not on that account deprived of his full course of education. But there is this difference between the German and the English system : the former does not tolerate the pitiable "half time" system. The school years are undividedly devoted to school work, and the factory and the farm are bidden to wait their time. In the *North American Review* for October the Professor of Political Economy and Politics—mark the title—in Cornell University writes on the question of the extension of American Commerce in the Far East. I can confidently recommend a perusal of the article. A few extracts are worthy consideration by politicians of the "rushing in" order. The Professor says :—

"There is no true economic science that is not based upon  
 "actual business," and again, "Business is a complicated subject  
 "requiring intelligence and training to understand it thoroughly, and  
 "ability often of a very high order to conduct it successfully on any  
 "large scale. The needed training must be gained in good part in

“actual touch with business itself, but the training in a business  
 “house may doubtless be shortened, and likewise made broader and  
 “better suited to modern operations on a world wide scale by  
 “preliminary study in special schools and colleges adapted to that  
 “end.”

Under the heading “General training for commerce” the following  
 views are expressed :—

“In current discussions in the press and elsewhere, many of  
 “the more fundamental principles of commerce, and the training  
 “which is requisite to enable our young men to cope with the prob-  
 “lems which may arise in their business, have been adequately  
 “considered. It is generally conceded that besides the principles of  
 “accounting and cost keeping referred to, one should possess a fair  
 “knowledge of foreign exchange, a comprehensive outlook over the  
 “most important markets for the purchase and sale of leading staple  
 “products, a reasonable understanding of shipping by water and  
 “rail routes and the relative costs of different routes and classes of  
 “freights, an insight into the fundamental principles of commercial  
 “law, a sufficient knowledge of the languages of the countries in  
 “which one is to work ; besides, of course, a detailed knowledge of  
 “the goods to be handled and the special requirements of the indi-  
 “vidual business which can be learned only in the business itself.”

We know that in Australia there is a very strong party which sees in protection, almost to the verge of exclusion, a panacea for all or nearly all the evils from which we suffer. The feelings of the man who buys are studiously ignored by the extremists of this party. A desire for cheapness, natural in a commercial age, and too often created, or at all events fostered, by the peremptory claims of necessity, is greeted with contumely, and a craving for excellence of material and superiority of workmanship stamps its possessor as hypercritical and unpatriotic. One result of protection will certainly be the production of more than we need, and possibly, under a faulty economic system, more than we can afford to retain for necessary home consumption. We are only beginning to realize the fact that while things are as they are the debtor, be he an individual or be it a state, must work for the creditor, and Australia, having for many years discounted her prospects in a somewhat light-hearted manner, can rehabilitate herself only by increased production, economy, or taxation, or a mixture of them. Our great want is education and educational facilities—moral, physical, rudimentary, economic, technical, artistic, political—but, above all, progressive, for we must never forget that nothing will avail us but material and equipment of the best, nor ignore the fallacy of the dreamer and the fool that all men are equal. Nothing is truer than Pope's dictum,

“Some are and must be greater than the rest.”

It may interest some of our anti-Asiatic fanatics to know that a leading English Commercial Magazine writes thus:—

“Japan is said to be the hot-bed of perils innumerable to the  
 “white races of the world. The latest alarm seems to be the birth  
 “of a new mechanical science in Japan which will relegate all our  
 “old world machinery to the scrap heap, if we European engineers  
 “do not give ourselves a mental shake and educate ourselves up to  
 “the scientific standard of Japan in machinery.”

Imagine Tôkyo and Kyôto instructing Europe in engineering science, and yet those of us who have studied the art of Japan—not of course the globe trotters’ art—can well understand that a country which produces work so perfect will reach mechanical excellence in any direction to which the genius of the people may be influenced. It may astonish some of our political wiseacres to be told that nations are very human and that our attitude towards the outside world is not calculated to engender the friendly feelings on which commercial relations are founded. It may come as a shock to our national vanity to be informed that we are still embryonic in some of our methods and crude in a proportion of our results, and yet it is pretty evident that the ratio of those who hold this opinion, of those who hold any opinion about us at all, is, it is to be regretted, not a small one. Truth to tell, our attitude towards the outer world is not conciliatory; in fact, to my mind it is almost frankly and childishly churlish. We are for the moment realizing the truth of Burke’s celebrated definition of party government—

“Party is a body of men united for promoting by their joint

“endeavours the national interest upon some particular principle in  
 “which they are all agreed.”

This definition is so far charitable, as it implies the existence in the party of sincerity and the absence of self-interest. I feel apologetic once again for the introduction of King Charles's head, but I really cannot help thinking that our political pundits are on the wrong track when they seek not merely to guide, but to force, commerce in divers directions at the behest of an interested compact faction. And when it is considered that those in authority over us, those who “ride on the whirlwind and direct the storm,” base their assumptions on inexperience, and too often draw their conclusions from a bottomless well of egotism, where the sceptic naturally asks the necessity for commercial education. It seems an inevitable corollary that if a preliminary training is deemed indispensable to the successful conduct of a private mercantile business, then those who aspire to manage the commerce of the nation should in a greater degree be equipped by education and experience, unless indeed they trust, like the Irish pilot, to learn all about the rocks by running on them. Fight as we will, wriggle as we may, we shall have to come into line commercially, as in other respects, with the rest of the world. We shall have to recognize that the true policy of a nation lies not in isolation, but in friendly communion with the world's peoples. We shall have to realize that although population means responsibility, it means safety, if of the proper quality. Let us consider wherein lies the strength of the Germany born some 35 years ago. Call to mind the impressive pageant at Versailles, when the stately first William was

hailed as the chief of the new empire. An empire then of under 41 millions of people—to-day, with nearly 60 millions, adding yearly more than 800,000 to its numbers, and a constantly increasing factor in the world's policy, history, and commerce. A country poorly endowed by Nature, but developed in a business-like manner; a gigantic co-operative industrial concern; a nation that recognizes the value of virility and its dependence on rural industries for the maintenance of the standard of manhood. For strength and endurance count, and strength and endurance are developed in the wholesome natural surroundings of a country existence and not in the artificial life of crowded cities. While we hear so much of physical degeneration in England, where four-fifths of the population live in towns, there are no similar complaints in Germany, and the fact that the rapid increase of that country's population is not accompanied by a falling off of the national physique is attributed by German statesmen to her prosperous agriculture. Nowhere in the world does the value of science and co-operation as means to the creation of agricultural prosperity receive more recognition than in Germany. They have credit societies; societies for co-operative buying and selling; societies for developing irrigation, and many others to assist and encourage small cultivators. The yearly outlay on agricultural education in Germany is about £500,000. The part that chemists play is shown by the growth of the beet sugar industry, the production of which increased from 358,000 tons in 1876 to 1,970,000 tons in 1901, while the history of the chemical industries of Germany reads like a fairy tale. Their imports of manufactured chemical products in 1889 were valued at £5,330,000,

and in 1902 at £5,560,000, an increase of only £230,000 ; while the value of the exports for the same period rose from £11,335,000 to £19,300,000. In other words, there was a growth in the excess of exports over imports in the period of no less a value than £7,735,000. The production of soda rose from 42,000 tons in 1878 to about 400,000 tons at the present day ; while the production of sulphuric acid increased from 112,000 tons in 1878 to 857,000 tons in 1901. The principal chemical manufactures exported were Antipyrin, Antifebrin, Alizarine, Aniline, and other dyes made from coal tar, Oil of Aniline, Quinine, Cyanide of Potassium, and Indigo. My statements in reference to Germany are drawn from a volume entitled "Modern Germany," by Mr. O. Elzbacher. He tells us that the commanding position of Germany's chemical industry is in no way due to Nature's bounty, for she is largely dependent on foreign nations for the supply of chemical raw products, which she works up into chemical manufactures. The great success of Germany's chemical industry is attributed by Mr. Elzbacher to the simultaneous action of the following causes :—

1. The natural disposition and aptitude of the individual German for close, patient, persevering, and painstaking work and study.

2. The munificent and enlightened assistance and encouragement given by the German Governments to the study of chemistry in all its branches, regardless of expense and regardless of immediate profitable returns.

3. The spirit of combination and the absence of jealousy among

chemical scientists and manufacturers, whereby scientific co-operation on the largest scale is made possible.

It seems clear that the commercial prosperity of the German Empire owes much to a policy of high protection, regarded not only as a defensive but also as an offensive weapon, for Mr. Elzbacher writes as follows :—

“The German Government observes the development of huge trusts in Germany not only with a benevolent interest, but lends them its active assistance and encourages their formation.”

And further,

“The German Government adopts this attitude chiefly because the activity of the German trusts outside Germany largely consists in undermining and ruining foreign industries by swamping them with surplus products, which are sold below cost price, and in thus ridding German industries of dangerous competitors.”

Assuming this to be true, and I know no reason to doubt it, what a lurid light is thrown on the spirit in which our latter-day Commerce is conducted. Let it be written on the walls of the Temples,

“There’s no sentiment in business.”

What Germany has done Australia may do, and do it on a more colossal scale if her people so desire. We have our fate in our hands in this young country. We can, if we will, profit by the triumphs and take warning from



the failures of nations who have bought their experience and paid for it with an expenditure of blood and treasure through the ages. But there seems a tendency to deride tradition and the teachings of the past and to apotheosize false prophets, who pretend to interpret the views of the multitude, and while oftentimes seeking their own ends, aspire to furnish an object lesson to an unappreciative world. The conditions of old and densely-populated countries, while possessing an undoubted interest for the Australian sociological student, should, it seems to me, be to him of merely academic importance. If the cry of want of employment be heard from a population such as ours, in a country such as this, one cannot help feeling that the cause is to be found in ineptitude, ignorance, deficient training, prejudice, want of enterprise, or some other source other than that in which the distressing wail finds its origin in the crowded centres of the old world. The deductions to be drawn from this rambling and imperfect address of mine concern chiefly one class of boys—not those who have shown their discernment by selecting wealthy or influential progenitors, not the abnormally astute, not the morally obtuse, but ordinary, honest, healthy boys, who are forced to engage in the struggle at what seems a somewhat immature age, and propose to start life in an office. It is clear that the elaborate curriculum, which some theorists regard as providing an indispensable equipment for commercial aspirants, does not concern this latter class. Those who have to work all day for a living, if they possess the necessary physique and are pricked by the spur of ambition, must rely to a great extent on evening classes for such technical education as will conduce to an improvement in their

position. But this means self-denial and an irrepressible determination to succeed ; no golden gate welcomes the loiterer on the primrose path of dalliance nowadays. In every walk of life courage, endurance, and ready wit count.

Such a lecture as this is naturally merely suggestive, and I leave it at that, and will conclude, harking back to my original theme, "Character," with a few words such as boys may well take in good part from one who has been "on his own," as the modern phrase goes, for not far short of half a century. I have known men to whom the feelings, the fortunes, even the lives, of their fellows, were as nothing in their struggle to gain the golden citadel. Some have succeeded, some have failed, but take my word for it, when settling day came none ever thanked God he'd been a rogue. I am too conscious of my own shortcomings to pose as a preacher, but I trust that you will credit me with sincerity when I express my conviction that no better, safer principle can be instilled into the youthful mind than that embodied in an old German motto, *Thue recht und scheue niemand*. Do right and fear nobody. I do not pretend that of such are the kingdom of the plutocrat's heaven. I do not aver that the Pagoda tree will drop its golden fruit into their laps at their shaking. It is more than likely that they will experience aspirations unrealized, anticipations unfulfilled, and the futility of fight for a foremost place ; but if no satisfaction is to be found save in a successful progress over the bodies of our compeers, heedless of their cries, regardless of their struggles ; if no complacency is to be derived from a sense of difficulties surmounted without lying, cheating, loss of self-respect, and a prostitution of our manhood generally ; if

Machiavelli is to be our model, and the national motto,

“The end justifies the means,”

then I ask in my bewilderment, what may be our conception of that Deity who made man after his own image?

We have the making of a nation in our hands, a task concerning the lives and the fortunes of this generation and of generations to come, the achievement whereof, as we do well or ill, will bring blessings or curses on our heads. The tendency of those who are satisfied with things as they are, including such as have reached the grand climacteric and, favoured by fortune, ask for but an easy descent; and of those who pursue the golden *ignis fatuus* untiringly, remorselessly, to the end, is to delegate to others the management of things they have neither the time, the inclination, or the energy to manage for themselves. What wonder, then, that the discontented accept the burden of Government; what wonder if the would-be representatives of those who want, suggest some new system, having for its crown that so-difficult-to-be-imagined condition, universal content. Kingsley's song says,

“Men must work while women must weep,”

and certes one-half of the dictum may be deemed axiomatic, for to labour must be the universal lot. Be it labour to support life, labour for individual gain, labour for the advantage of others—labour it must be. And our aim must be production, production allied to excellence, but, above all, production, under such conditions as will improve the lot of the lower stratum of society.

Never get away from the fact that production involves serious training, mental and mechanical. Those who, like our friend Mr. Fisher, recognise the necessity for training or education, and do something during their lifetime to help it along, are among mankind's greatest benefactors. Post-mortem beneficence is too often a mere compromise not free from selfishness. The world is full of intelligence and natural aptitude, which need but direction in the proper channels to vindicate the attributes that separate man from beast. There is no graver question than this, What is to be the nature of the directing force? Much is to be hoped for from the formation of character as a fundamental principle of national education



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